



METROPOLITAN
TRANSPORTATION
COMMISSION

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**Programming and Allocations Committee
October 12, 2011
Minutes**

John E. Bates, Chair
San Francisco County

Greg Bates, Board Vice Chair
San Francisco County

John Bates, Board
San Francisco County

Tom Bates
San Francisco County

David Bates
San Francisco County

Steve Bates
San Francisco County

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Chair Kinsey called the meeting to order at approximately 10:51 a.m. Committee members present were: Commissioners Bates, Cortese, Campos, Dodd, Glover, Sartipi, and Wiener. Commissioners Tissier and Rein Worth were present as ad hoc voting members of the Committee. Other Commissioners present as ad hoc members of the Committee were: Giacomini, Green, Haggerty, Mackenzie, Mullin, and Sperring.

Consent Calendar

The Committee unanimously approved the following consent items after a motion by Commissioner Dodd and a second by Commissioner Cortese:

- Minutes of September 14, 2011 meeting;
 - 2011 Productivity Improvement Program (PIP) from Transportation Development Act (TDA) Triennial Audit Reports. MTC Resolution No. 4037;
 - Climate Initiatives Innovative Grant Program changes. MTC Resolution Nos. 3925, Revised, and 3989, Revised; and
 - Allocation of \$6.2 million in Transportation Development Act (TDA) funds and \$20.5 million in State Transit Assistance (STA) to various transit claimants for FY2011-12 transit operations. MTC Resolution Nos. 4025, Revised, and 4026, Revised.
- In addition, the Committee received one item for information: the Regional Measure 2 (RM2) Operating Program Update.

Regional

- *Triennial Performance Audit of various operators.*

Christina Verdin, Programming and Allocations Section, and George Pierlott of Mundle and Associates updated the Committee on the results of the TDA triennial performance audits of San Francisco Bay Area Rapid Transit (BART), Alameda-Contra Costa Transit District (AC Transit), County Connection (CCCTA), City of Healdsburg, City of Petaluma, City of Santa Rosa, and Sonoma County Transit (SCT).

Commissioner Mark Green asked what the potential savings in newly negotiated contracts would be for AC Transit. Mr. Pierlott responded that there is a potential for AC Transit to save \$13 million.

Commissioner Jake Mackenzie asked if the analysis and audits have been conveyed to the individual operators. Mr. Pierlott explained that preliminary findings were shared with the operators along with the final audit reports and recommendations including

suggested productivity improvements. Ms. Verdin further explained that audit results are first sent to the General Managers and the General Managers are given the opportunity to respond in writing with any disagreement to those results. This correspondence becomes a part of the final audit which is then sent to the governing board of each agency. Commissioner Mackenzie requested that staff send a copy of the final audit report to Sonoma County Transportation Authority.

Commissioner Scott Wiener commented that the audit is one of the most important items in terms of regional transportation and asked how optimistic or pessimistic staff is that there will be significant control of the operating costs understanding that there are legacy pension issues that cannot be controlled and to what extent should MTC hold operators accountable in terms of ramifications for penalties if costs are not brought under control. Steve Heminger, Executive Director, responded that generally operators have not been held accountable for costs and revenue. The Transit Sustainability Project (TSP), currently underway, has been working to address these questions by establishing performance standards and conditions for the release of operating and capital funds to these systems. Mr. Heminger encouraged Commissioners to attend the TSP Select Committee meeting taking place on October 26 to obtain a better understanding of the status of the project.

Commissioner David Campos asked what the expectation of the operators is once the audits are released. Alix Bockelman, Director of Programming and Allocations responded that the operators are required to prepare productivity improvement program projects and are required to make progress on those in order to continue receiving funding. In the past, this has not resulted in a reversal of the negative trends which is one of the reasons for the TSP and the reason more specific performance metrics are being reviewed in the effort. Additionally, Commissioner Campos asked if there are formal responses from each of the operators. Ms. Bockelman explained that staff sends the operators a formal transmittal and the operators are given the opportunity to comment. However, in the past, staff has not had the expectation that they respond with how they will change their trend.

Commissioner Steve Kinsey commented that the small operators costs per vehicle hour are considerably less than the larger operators and noted that a move toward consolidation would likely mean that the cost for the larger operators would become the cost for all operators. Mr. Heminger commented that one of the real challenges in the TSP is cost control. The smaller operators do typically have smaller costs but are catching up to the larger operators costs over time.

This item was presented for information only and no action is required by the Committee at this time.

- *Regional Measure 2 (RM2) Capital Program Update.*

Shruti Hari, Programming and Allocations Section, presented the status of capital projects in the Regional Measure 2 Program for the second half of FY2010-11.

Commissioner Tom Bates commented that the Hercules Ferry Terminal projects seems unlikely to occur because of the fill that is going to be required and does not seem to be a feasible project. Commissioner Federal Glover responded that there are those that would disagree.

This item was presented for information only and no action is required by the Committee at this time.

California Transportation Commission Update

Alix Bockelman, MTC Programming and Allocations Section, presented an update from the CTC meeting held on September 15, 2011 in Petaluma, California including the recent and upcoming activity related to the Bay Area Express Lanes application. Commissioner Mackenzie also called attention to the Proposition 1B CMIA Amendments for Sonoma County Projects, which resulted in roughly \$45 million in additional funding for the 101 corridor improvements.

This item was presented for information only and no action is required by the Committee at this time.

Public Comment

Commissioner Kinsey adjourned the meeting at approximately 11:28 a.m.